

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: SCOTT WOODBURY
DEPUTY ATTORNEY GENERAL

DATE: MAY 12, 2009

SUBJECT: CASE NO. IPC-E-09-13 (Idaho Power)
PETITION TO EXTEND 2009 IRP FILING DATE

On April 24, 2009, Idaho Power Company (Idaho Power; Company) filed a Petition with the Idaho Public Utilities Commission (Commission) requesting authority to defer the filing of its 2009 Integrated Resource Plan (IRP) from June 30, 2009 to December 31, 2009. Reference IRP Scheduling Order No. 30317, IPC-E-06-24.

In June 2008, Idaho Power filed an update to its 2006 IRP addressing short-term action plan progress, changes in load forecast, existing loads, customer base and purchase power contracts; and significant deviations from its 2006 IRP. The Company states that two significant changes have occurred since completion of its 2008 update that make it desirable to delay the filing date of its 2009 IRP: (1) a permitting delay in its proposed Boardman-Hemingway transmission project, an identified near-term resource and (2) slowed local and national economic growth necessitating an update to its sales/load forecast.

Boardman-Hemingway Transmission Project

In its 2006 IRP the Company identified the 225 MW McNary to Boise transmission project in its preferred resource portfolio with a projected completion date of 2012. Since its 2006 IRP, the Company has refined and finalized plans for the Idaho-Pacific Northwest upgrades. As reflected in its 2008 update, the Company is now proposing to construct and operate a new 300 mile long single circuit 500 kV electric transmission line between a new switching yard at the Boardman power plant in Oregon to a new Hemingway substation to be located in Owyhee County, Idaho. The Company faces opposition in both Oregon and Idaho to

potential transmission routes and has commenced a comprehensive and inclusive public process to identify proposed and alternative routes with a goal of developing acceptable routes by the end of 2009. The Company recognizes that undertaking this extensive collaborative approach will cause a delay in the permitting process. Recent permit delays have pushed completion of the Boardman to Hemingway 500 kV transmission project beyond 2012. With this delay, the Company plans to treat the Boardman-Hemingway project as an uncommitted resource in the 2009 IRP. As an uncommitted resource, the 2009 IRP will address whether the Boardman-Hemingway project continues to merit inclusion in the Company's near-term resource action plan.

Sales/Load Forecast

Substantial changes in economic conditions have incurred since September 2008 when the load forecast currently being used for the Company's 2009 IRP was completed. Slowed local and national economic growth may impact future demand for electricity and the Company believes it would be prudent to update its sales and load forecast prior to completing the 2009 IRP. The Company expects to complete the new sales and load forecast in August 2009. Substituting the August 2009 load forecast for the August 2008 load forecast means that much of the work that has already been done to bring the 2009 IRP to its nearly completed status will need to be reviewed and re-analyzed.

Staff Analysis and Recommendation

Staff believes the modification of the 2009 IRP filing date is warranted based on the reasons given by Idaho Power. The requested delay will allow additional public participation in the preparation of the plan as it relates to the Boardman-Hemingway transmission project. Additional time will also allow the Company to incorporate the most recent sales and load forecast. Both Staff and Company agree that allowing Idaho Power additional time to prepare and file its 2009 IRP benefits the Commission and Idaho Power customers because it will allow the Commission to evaluate the IRP based upon the most up-to-date load projections and economic conditions. The additional time also benefits the public by allowing more participation in the planning process – one of the goals of the IRP process.

Commission Decision

Idaho Power requests Commission authority to delay the filing of its 2009 IRP from June 30, 2009 to December 31, 2009. Staff concurs with the Company's recommendation and

recommends approval without further notice or procedure. Does the Commission find it reasonable to grant the Company's request and to delay the filing of the Company's 2009 IRP to December 31, 2009 without further notice or procedure?

A handwritten signature in black ink, appearing to read "Scott Woodbury", written over a horizontal line.

Scott Woodbury
Deputy Attorney General

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